

## REMARKS

By the above amendment, independent claims 1, 2, 4, 5 and 7 have been amended in a manner which is considered to overcome the rejection under 35 U.S.C. § 112, second paragraph, in that such claims have been amended to now recite "of one substrate of a pair of substrates". Thus, the rejection under 35 U.S.C. § 112, second paragraph should now be overcome.

Additionally, by the present amendment, each of the independent claims has been amended to clarify features of the present invention. More particularly, looking to Figures 1, 3 and 4 of this application, for example, as illustrated, the pixel region is divided into a region A and a region B, wherein as shown in Fig. 1A and 1B, the counter electrode CT in the region A is a substantially rectangular planar counter electrode which is overlapped with a group of electrodes PX constituting the pixel electrode in the region A. On the other hand, in the region B, each of the pixel electrode and the counter electrode is constituted by a group of electrodes which alternate with one another, as more clearly illustrated in Fig. 1A and Fig. 1C, for example. A similar structure is provided in Figs. 3 and 4. On the other hand, Fig. 5 illustrates an arrangement wherein in one region of the pixel region corresponding to the region in Fig. 1A, the pixel electrode PX is formed as a substantially rectangular planar pixel electrode which is overlapped with a group of electrodes forming a counter electrode CT, as more clearly illustrated in Fig. 5B, for example. However, in the other region of the pixel region corresponding to the region B of Fig. 1A, a group of electrodes of the pixel electrode and a group of the electrodes of the counter electrode are disposed so as to alternate with one another, as illustrated in Fig. 5C, for example.

By the present amendment, independent claims 1, 2, 5 and 7, which are directed to the arrangement as illustrated in Fig. 1, for example, has been amended to recite the feature that in one region, the counter electrode is substantially planar at a center, and the pixel electrode which is constituted by a group of electrodes is in a state that the group of electrodes of the pixel electrode is overlapped to the substantially planar counter electrode, as illustrated in Fig. 1, for example. On the other hand, independent claim 2 recites the feature that in one region, the pixel electrode is substantially planar at a center, and the counter electrode which is constituted by a group of electrodes is in a state that the group of electrodes of the counter electrode is overlapped to the substantially planar pixel electrode, as illustrated in Fig. 5, for example. Thus, the structural features of the present invention had been clarified, as supported in the drawings and description of this application, noting that new dependent claims 23-27 have been presented which further define the substantially planar counter electrode or pixel electrode of the one region as being a substantially rectangular planar counter or pixel electrode. Applicants submit that such features, as now recited in the independent and therewith the dependent claims of this application are not disclosed or taught in the cited art, as will become clear from the following discussion.

As to the rejection of claims 1, 2, 4, 5, 7, 21 and 22 under 35 U.S.C. § 103(a) as being unpatentable over Lee, et al. (U.S. 6,128,061) in view of Sakamoto, et al. (U.S. 6,914,656); and the rejection of claims 3, 6, 8 under 35 U.S.C. § 103(a) as being unpatentable over Lee, et al. (U.S. 6,128,061) and Sakamoto, et al. (U.S. 6,914,656) in view of Kurahashi, et al. (U.S. 2002/0126241) such rejections are traversed insofar as they are applicable to the present claims, as amended, and reconsideration and withdrawal of the rejections are respectfully requested.

In applying Lee, et al. to the claimed invention, the Examiner has recognized that Lee, et al. does not disclose recited features of the claims. More particularly, the Examiner recognizes that "Lee, et al. does not disclose the pixel region is constituted of divided respect of regions; wherein one region, the counter electrode made of one of a light-transmitting material and a light-reflecting material which is formed on the center except for a slight periphery of the region below an insulation film...". Thus, Applicants submit that the claims recite features which patentably distinguish over Lee, et al. in the sense of 35 U.S.C. § 103. Furthermore, as noted above, the independent claims of this application have been amended to recite the feature that in one region, either the counter electrode or the pixel electrode is a substantially planar electrode and overlaps a group of electrodes of the pixel electrode or counter electrode in the one region, wherein in the other region the counter electrode and the pixel electrode is constituted by a group of parallel extending electrodes arranged alternately with one another. Thus, Applicants submit that in addition to Lee, et al. failing to provide a pixel region constituted by divided respective regions, Lee, et al. also fails to disclose that in one region, the counter electrode or the pixel electrode is of planar shape and is overlapped with a group of electrodes constituting the pixel electrode or the counter electrode together with the other region having groups of electrodes of the counter electrode and the pixel electrode alternating with one another. That is, in Figure 4A of Lee, et al. the counter electrode 37 includes a main portion 37a of the rectangular frame type and bar portions 37b, 37c and 37d and the pixel electrode 39 includes portions 39a, 39b, 39c and 39d, which are not planar electrodes overlapping the group of portions of the pixel electrode or the counter electrode in one region and having an alternating arrangement in an other region, in the manner defined. Thus, Applicants submit that the independent claims of this

application and therewith the dependent claims recite features which patentably distinguish over Lee, et al. in the sense of 35 U.S.C. § 103.

The Examiner contends that the deficiencies of Lee, et al. are overcome by Sakamoto, et al. which discloses a pixel region constituted of divided respect of regions wherein one region, the counter electrode is made of one of the light transmitting material and a light reflecting material. Irrespective of the contentions by the Examiner, Applicants note that Fig. 20 of Sakamoto, et al. discloses common electrodes 26 and pixel electrodes 27 disposed in parallel with each other and lying in the same plane whether a transmissive region or a reflective region, as more clearly illustrated in Figures 6, 7, 8(a) and 8(b), wherein it is apparent that a group of electrodes 27 representing the pixel electrode is not overlapped with a substantially planar counter electrode or vice versa, noting that the counter electrode 26 has a form which does not overlap the pixel electrode in such figures. Thus, in Sakamoto, et al., there is no disclosure or teaching of a counter electrode or a pixel electrode which is planar and is overlapped with a group of electrodes in one region, as recited in claims of this application. Accordingly, Applicants submit that the independent claims of this application patentably distinguish over the proposed combination of Lee, et al. and Sakamoto, et al. in the sense of 35 U.S.C. § 103 and all claims should be considered allowable thereover.


With respect to the further combination of Lee, et al. and Sakamoto, et al. with Kurahashi, et al., irrespective of the disclosure of Kurahashi, et al., Applicants submit that Kurahashi, et al. fails to overcome the deficiencies of Lee, et al. and Sakamoto, et al., as pointed out above, such that all claims recite features which patentably distinguish over this proposed combination of references in the sense of 35 U.S.C. § 103, and all claims should be considered allowable thereover.

In view of the above amendments and remarks, Applicants submit that all claims present in this application should now be in condition for allowance, an issuance of an action of a favorable nature is courtesy solicited.

To the extent necessary, applicants petition for an extension of time under 37 CFR 1.136. Please charge any shortage in the fees due in connection with the filing of this paper, including extension of time fees, to the deposit account of Antonelli, Terry, Stout & Kraus, LLP, Deposit Account No. 01-2135 (Case: 501.45788X00), and please credit any excess fees to such deposit account.

Respectfully submitted,

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